

BOSTON REDEVELOPMENT AUTHORITY

REPORT AND DECISION ON THE APPLICATION OF  
KEYSTONE APARTMENTS COMPANY FOR THE AUTHORIZATION  
AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS  
GENERAL LAWS (TER. ED.) CHAPTER 121A AS AMENDED,  
AND CHAPTER 652 OF THE ACTS OF 1960, TO BE UNDERTAKEN  
AND CARRIED OUT BY A LIMITED PARTNERSHIP FORMED  
UNDER M.G.L. CHAPTER 109, AND APPROVAL TO ACT AS AN  
URBAN REDEVELOPMENT LIMITED PARTNERSHIP UNDER  
SAID CHAPTER 121A

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A. The Hearing. A public hearing was held at 2 p.m. on July 20, 1978, in the offices of the Boston Redevelopment Authority (hereinafter called the "Authority"), at the New City Hall, Room 921, Boston, Massachusetts 02201, by the Authority on an Application, dated May 10, 1978, (hereinafter called the "Application"), filed by Keystone Apartments Company for authorization and approval of a redevelopment project under Chapter 121A of the General Laws of the Commonwealth of Massachusetts and Chapter 652 of the Acts of 1960, as amended, (hereinafter called the "Project"), due notice of said hearing having been given previously by publication on July 4, 1978, and July 11, 1978, in the Boston Herald American, a daily newspaper of general circulation published in Boston, and mailing postage prepaid in accordance with Rule 8 of the Rules and Regulations of the Authority for securing approval of Chapter 121A projects, and in accordance with the provisions of Section 13 of Chapter 652 of the Acts of 1960, as amended. Robert L. Farrell, Chairman of the Authority, James G. Colbert, Joseph J. Walsh, James K.

Flaherty and James E. Cofield, Jr., members of the Authority, were present throughout the hearing.

B. The Project. The Project Area consists of 328,015 square feet of land (approximately 7.5 acres) upon which is one large five-story brick structure approximately 110 feet wide and 720 feet long and five (5) smaller detached buildings of various sizes, owned by Gary H. Jannison, Trustee of Keystone Trust. The Project Area is bounded on the southeast by the Southeast Expressway and on the southwest by the Neponset River. A full metes and bounds description is contained in the Application. The Project consists of acquisition, demolition of one-story structures, rehabilitation of the main building, operation, and maintenance of the Project Area by the 121A Entity of 223 units of housing for elderly occupants. All of the units in the proposed Project will receive rental assistance under the Section 8 program, being Section 8 of the U. S. Housing Act of 1937, as amended.

Approximately three (3) of the units will be efficiency units, one hundred eighty-eight (188) will be one-bedroom units and approximately thirty-two (32) will be two-bedroom units. The appurtenant facilities will include community spaces, a greenhouse, laundry rooms, a landscaped park, walkways and open off-street parking for approximately one hundred sixteen (116) cars.

C. Authority Action. In passing upon the Application, the Authority has considered the Application itself, all documents, plans and exhibits



filed therewith or referred to therein, the oral evidence presented at the hearing, the exhibits offered in evidence at the hearing, arguments and statements made at the hearing, and additional statements submitted subsequent to the hearing.

The Project as defined in the Application, constitutes a Project within the meaning of Section 1 of Chapter 121A of the General Laws, providing as it does, for the purchase, demolition, rehabilitation, operation and maintenance in a blighted, open, decadent or substandard area of a decent, safe and sanitary residential building and appurtenant facilities.

D. Project Area. The Project Area is located in Dorchester, what is defined in the City's Master Plan as an Improvement Area and in the opinion of the Applicant is presently a blighted, open and decadent area as defined in Chapter 121A, detrimental to the safety, health, morals, welfare and sound growth of the community by virtue of the fact that the Project Area was part of an industrial zone which was divided by the Southeast Expressway, cutting off industrial access to the land except via narrow Hallet Street. The Project Area is also a predominantly residential area. Due to the above-stated reasons, the buildings have been substantially vacant for the past four years. The buildings have sustained substantial damage through vandalism and are physically deteriorating. The inability of the owners of the property to attract tenants has prohibited them from making the repairs necessary to main-

tain the buildings. The Project Area itself is obsolete.

The Project is detrimental to the health, safety and sound growth of the "Neponset Community" for the reasons stated above and are conditions which have not, and in the opinion of the Applicant, will not be remedied by the ordinary operations of private enterprise.

Without the aids available under G.L. Chapter 121A as is evidenced by the requirement of the mortgage lender attached to the Application, that the real estate taxes be limited to contain percentages of the project's estimated gross annual income, which percentage levels can only be lawfully agreed to by the City of Boston under G.L. Chapter 121A and Chapter 6A. These conditions and other factors referred to in the Application and this Report and Decision warrant the carrying out of the Project in accordance with Chapter 121A. The proposal constitutes a "project" within the meaning of that statute.

For these reasons it is found that the Project Area is a blighted open area within the meaning of Chapter 121A, as amended. It is unlikely that the conditions will be remedied by the ordinary operations of private or public enterprise.

The Project will provide substantial financial return to the City of Boston. The 6A Tax Agreement attached to the Application sets forth the Agreement to be entered into between the City of Boston and the Applicants. This Agreement provides in substance that there be paid to the City of Boston in lieu of real estate taxes in each of the forty (40) cal-



endar years after approval of the Project, an amount over the excise payable under General Laws, Chapter 121A, section 10. During construction, the owner will pay the current assessed "abated" value times the current tax rate. After completion, ten percent (10%) accelerating to twelve percent (12%) in the third year, and one percent (1%) every third year to a maximum of fifteen percent (15%), all based on substantial general increases in real estate taxes.

E. Cost of the Project. In the opinion of the Authority, the cost of the Project has been realistically estimated in the Application and the Project is practicable. The estimated cost is approximately Nine Million Fifty Thousand (\$9,050,000.00) Dollars. Both the construction and permanent mortgage loans for the Project will be insured by the Federal Housing Administration (FHA) under the 221 (d) (4) program. The Applicant currently holds a conditional commitment from FHA for such insurance.

It is anticipated that the construction loan will be made by the Massachusetts Housing Financing Agency (MHFA) at a rate of interest one-half of one percent above the cost of money borrowed by MHFA to make such loan. The permanent mortgage lender will be the Government National Mortgage Association (GNMA) under the "Tandem" program pursuant to which the permanent interest rate on the 40-year mortgage will be 7 1/2%. A commitment from GNMA for the Project is held on behalf of the Applicant by a GNMA approved mortgage (State Street Bank and Trust Company).

The FHA insured mortgage loan will be in an amount equal to 90% of the Replacement Cost of the Project as determined by FHA. The balance of the cost of the Project will be borne by the 121A Entity. Capital will be raised by the 121A Entity through the admission of limited partners in exchange for capital contributions. In addition, the General Partner of the 121A Entity will contribute development services to the Project valued by FHA at \$743,056.

The following are all the persons, natural or corporate, who have or will have, directly or indirectly, any beneficial interest in the Project prior to its completion:

Keystone Apartments Company, a Massachusetts Limited Partnership of which Corcoran, Mullins, Jennison, Inc., will be the General Partner and various Limited Partners;

Massachusetts Housing Finance Agency;

Federal Housing Administration; and

United States Department of Housing and Urban Development (HUD).

The Project will be assisted by rental assistance under Section 8 of the U. S. Housing Act of 1937, as amended, for 100% of the units. Under the Section 8 Program, HUD pays that amount of the fair market rent for an apartment that exceeds 25% of the tenant's income. The Application contains the Corporate Articles of Organization for the Keystone Apartments Company, Limited Partnership, illustrating the corporate purposes and structure. Experience with similar financing



and organizational methods persuades the Authority that the financial program is realistic.

F. Consistency with Master Plan. The Project does not conflict with the Master Plan for the City of Boston.

G. Effect of the Project. The Project will not be in any way detrimental to the best interests of the public or the City or to the public safety or convenience or be inconsistent with the most suitable development of the City. The Project will, in fact, forward the best interests of the City and will constitute a public use and benefit. The structure to be rehabilitated under the Project has been reviewed by the Design Review Staff of the Authority and is subject to further design review should the proposed design change in any way. The Authority finds that this Project will enhance the general appearance of the Area and furnish attractive and necessary landscaping.

The carrying out of the Project will not involve the relocation of any families.

The Project Area does not include land within any location approved by the State Department of Public Works for the extension of the Massachusetts Turnpike into the City of Boston.

H. Environmental Considerations. To conform with the provisions of Section 6 of Chapter 30 of the General Laws (as inserted by Chapter 781 of the Acts of 1972) and the Regulations thereunder as adopted by the Authority on April 11, 1974, the Project must comply with the City of

Boston Air Pollution Control Commission's Regulations for the Control of Atmospheric Pollution and Regulations for the Control of Noise during all phases of construction activities.

For the Project to meet the environmental review standards set forth below, as stated, the Project approval is subject to no right of public access being granted to the Boston Conservation Commission at this time, although no development other than amenities for the elderly will be constructed within thirty (30) feet of the shoreline.

1. The Project does not adversely affect any recreational areas or any aesthetic values in the surrounding area.
2. No natural or man-made places are affected by the Project.
3. The Project does not adversely affect archeological or historical structures or features. It is expected that the Project will enhance the historic structures in the Area.
4. The Project does not affect the potential use, extraction or conservation of a scarce natural resource.
5. The Project Area is urban and therefore does not serve as a habitat for wildlife or fish species.
6. Being urban, the Project has no impact on any wilderness areas.
7. The Project will require deviations from the Zoning Code



and the Building Code of the City of Boston as further detailed herein, but not in such manner as will cause damage to the environment.

8. The Project does require certification, authorization or issuance of a permit by any local, State or Federal environmental control agency.
9. The Project does not involve the disposal of potentially hazardous materials.
10. The Project does not involve the construction of facilities in a flood plain.
11. The Project, except necessarily during the construction phase, does not result in the generation of a significant amount of noise or dust.
12. The Project does not result in a deleterious effect on the quality of any portion of the State's air or water resources.
13. The Project does not affect an area of important scenic value. The Project does affect an area with significant architectural attributes, but is designed harmoniously with those attributes.

As a result of the investigation and Report of the Authority's staff and of its own knowledge, the Authority hereby determines that the Project will not cause significant environmental damage and that the Secretary of the Authority be instructed to file such with said

Executive Office of Environmental Affairs its Report and finding in accordance with the Authority's Rules and Regulations so long as no development other than amenities for the elderly be constructed within thirty (30) feet of the shoreline, and further, the Applicant may erect a sign fifteen (15) feet by thirty (30) feet on the Project site, stating what the Project is and who the developers are. The sign may remain posted until 100% occupancy occurs or July, 1980, whichever event occurs first.

I. Minimum Standards. The minimum standards for financing, construction, maintenance and improvement of the Project as set forth in Exhibit E filed with and attached to the Application, are hereby adopted and imposed as Rules and Regulations (in addition to those hereinafter adopted and imposed) applicable to this Project for the same period as the Project is subject to the provisions of Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, as amended.

In addition to the minimum standards set forth in Exhibit E, the Authority hereby requires that the Applicants, prior to obtaining a building permit, (1) enter into a Regulatory Agreement with the Authority pursuant to the requirements of General Laws, Chapter 121A, Section 18C, and containing such other terms and conditions as the Authority may in its discretion deem necessary and appropriate; (2) submit to the Authority for its review and approval such plans and specifications for the Project as the Authority may require and accept



such changes and modifications thereto as the Authority may deem necessary or appropriate; and (3) adhere to such design review controls and requirements as the Authority may in its discretion impose.

The carrying out of the Project will not require a permit for the erection, maintenance and use of a garage within 500 feet of one of more buildings occupied in whole or in part as a public or private school having more than 50 pupils, or as a public or private hospital having more than 25 beds, or as a Church.

The Project does not require a declaration that the buildings contemplated constitute a separate building for the purpose of General Laws, Chapter 138.

J.     Zoning and Building Code Deviations.     Proposed Deviations filed with and attached to the Application lists the zoning and building deviations. For the reasons set forth in the Application and the evidence presented at the hearing, the Authority hereby finds that the attached zoning deviations, attached hereto and incorporated by reference as Exhibit A, are necessary for the carrying out of the total project and therefore granted without substantially derogating from the intent and purposes of the applicable laws, codes, ordinances and regulations, respectively.

K.     Duration of Period of Tax Exemption.     In addition to the base term of fifteen (15) calendar years for the Project's period of tax exemption, pursuant to the provisions of section 10 of Chapter 121A, as amended by Chapter 827 of the Acts of 1975, the Authority hereby deter-

mines that the Project shall be entitled an extension of twenty-five (25) years beyond the base period. This determination is based upon the fact that the Applicant's Project is financed and subsidized under Federal programs to assist the construction of low-income housing.

L.     Decision.     For all of the reasons set forth in the foregoing report, the Authority hereby approves the undertakings by the Applicant of the Project pursuant to Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, subject to the provisions set forth in this Report and Decision.



PROPOSED DEVIATIONS

The only deviations requested by the Applicants for the Project are as follows:

1) That the use be changed from industrial I-<sup>2</sup>7 to permit multi-family dwelling for 223 units of elderly housing. The Board of Appeals granted a variance permitting this use on September 13, 1977.

SECTION 8-7 Item #7

2) That fire hoses not be required in the halls on the various floors in racks or cabinets.

State Building Code §1206.6.

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State Building Code §1206.6.



MEMORANDUM

August 3, 1978

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: KANE SIMONIAN, SECRETARY

SUBJECT: REPORT AND DECISION ON THE CHAPTER 121A  
APPLICATION OF KEYSTONE APARTMENTS  
COMPANY

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On July 20, 1978, the Authority conducted a public hearing with respect to the above-captioned Application. At that meeting the Board heard a presentation by the Applicants.

The Project consists of the acquisition of 328,015 feet of land (approximately 7.5 acres) from Gary A. Jannison, Trustee of Keystone Trust, the demolition of all one-story structures and the rehabilitation of the main five-story building into 223 apartment units for the elderly. All of the units will receive Section 8 rental assistance.

The staff has examined the application and found that it contained sufficient evidence in support of the Project to permit the Authority to make those findings and determinations necessary to proceed with the approval of the Project.

It is, therefore, recommended that pursuant to Chapter 121A of the General Laws the Authority adopt the Report and Decision approving the Project.

An appropriate vote follows:

VOTED: that the document presented at this meeting entitled, "Report and Decision on the Application of Keystone Apartments Company for the Authorization and Approval of a Project under Massachusetts General Laws (Ter. Ed.) Chapter 121A as Amended, and Chapter 652 of the Acts of 1960, to be Undertaken and Carried Out by a Limited Partnership Formed under Massachusetts General Laws, Chapter 109, and Approval to Act as an Urban Redevelopment Limited Partnership under said Chapter 121A," be and is hereby approved and adopted.